



April 4, 2017

Endologix Enters into \$170 Million Credit Facility with Deerfield Management

IRVINE, Calif.--(BUSINESS WIRE)-- Endologix, Inc. (Nasdaq:ELGX), a developer and marketer of innovative treatments for aortic disorders, today announced that it has entered into an agreement with Deerfield Management ("Deerfield"), a leading healthcare investment organization, to provide Endologix with up to \$170 million in funding through a \$120 million six-year secured term loan and a \$50 million three-year secured asset-based revolving line of credit.

Under the term loan, Deerfield provided Endologix with \$120 million of gross proceeds in funding. Endologix has agreed to pay Deerfield a yield enhancement payment equal to 2.25% of the principal amount at the time of funding. The outstanding principal accrues interest until maturity on April 2, 2023 at a rate of 6.87% per annum, payable quarterly in arrears commencing on July 1, 2017 and on the first business day of each calendar quarter thereafter, unless repaid earlier. In addition, on each of April 2, 2021, April 2, 2022 and the maturity date, Endologix must make an amortization payment equal to \$40 million (or, if on the maturity date, the remaining outstanding amount of the term loan). Endologix may, at its option, repay the term loan at any time. Any prepayment prior to April 2, 2021 shall require a make-whole payment and any prepayment made on or after April 2, 2021 may be made without premium or penalty (unless in connection with a change in control of Endologix).

Endologix estimates that the net proceeds from the term loan will be \$113 million, after deducting estimated transaction expenses. Endologix intends to use approximately \$52.5 million of the net proceeds from the term loan to repurchase \$53.1 million aggregate principal amount of outstanding 2.25% Convertible Senior Notes due 2018, plus the accrued but unpaid interest thereon, from the holders thereof in privately negotiated transactions. These note repurchases are expected to settle on April 10, 2017. The Company also intends to enter into an unwind agreement with Bank of America, N.A. in order to unwind a portion of the capped call transactions in respect of the notes to be repurchased. Endologix intends to use the remainder of the net proceeds from the term loan for working capital and general corporate purposes.

At the closing of the term loan, Endologix issued Deerfield warrants to purchase up to 6.47 million shares of its common stock at an exercise price of \$9.23 per share (or 127.5% of the closing price of Endologix's common stock on the trading day prior to the closing date). The shares of common stock subject to these warrants represent approximately 7.8% of Endologix's approximately 83 million outstanding shares on the closing date.

Under the terms of the revolving line of credit, Endologix may borrow up to the lesser of \$50 million or its applicable borrowing base from time to time. Any outstanding principal under the revolving line of credit will accrue interest at a rate equal to the LIBOR Rate plus 4.60%. Endologix is subject to other fees in addition to interest on outstanding principal under the revolving line of credit. This revolving line of credit will replace Endologix's \$50 million asset-based revolving line of credit with MidCap Financial Trust.

Perella Weinberg Partners and J. Wood Capital Advisors served as financial advisors to Endologix in connection with this credit facility.

Endologix expects to file a Current Report on Form 8-K with the Securities and Exchange Commission that will contain a more detailed disclosure concerning this credit facility.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall it constitute an offer, solicitation, or any sale in any jurisdiction in which such offer, solicitation, or sale is unlawful.

About Endologix, Inc.

Endologix, Inc. develops and manufactures minimally invasive treatments for aortic disorders. The Company's focus is endovascular stent grafts for the treatment of abdominal aortic aneurysms (AAA). AAA is a weakening of the wall of the aorta, the largest artery in the body, resulting in a balloon-like enlargement. Once AAA develops, it continues to enlarge and, if left untreated, becomes increasingly susceptible to rupture. The overall patient mortality rate for ruptured AAA is approximately 80%, making it a leading cause of death in the United States. For more information, please visit www.endologix.com.

About Deerfield

Deerfield is an investment management firm committed to advancing healthcare through investment, information and

philanthropy. For more information, please visit www.deerfield.com.

Forward-Looking Statements

This communication includes statements that may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements about the funding arrangement, credit facility, and other agreements with Deerfield, and the expected funding and related actions thereunder, and Endologix's expectations regarding the use of proceeds, the accuracy of which are necessarily subject to risks and uncertainties, all of which are difficult or impossible to predict accurately and many of which are beyond the control of Endologix. Many factors may cause actual results to differ materially from those projected in forward-looking statements. All forward-looking statements are expressly qualified in their entirety by this cautionary statement. Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made. Endologix undertakes no obligation to update any forward-looking statements to reflect new information, events, or circumstances after the date they are made, or to reflect the occurrence of unanticipated events. Please refer to Endologix's Annual Report on Form 10-K for the year ended December 31, 2016, and Endologix's subsequent filings with the Securities and Exchange Commission, for more detailed information regarding these risks and other factors that may cause actual results to differ materially from those expressed or implied.

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